

City and County of San Francisco

Office of the Controller - City Services Auditor

AIRPORT COMMISSION:

Concession Review of
America West Airlines, Inc. dba
US Airways

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FINANCIAL AUDITS



April 4, 2007



CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER
CITY SERVICES AUDITOR

Ed Harrington
Controller

Monique Zmuda
Deputy Controller

April 4, 2007

San Francisco Airport Commission
San Francisco International Airport
P.O. Box 8097
San Francisco, CA 94128-8097

President and Members:

The Office of the Controller presents its report concerning the concession review of America West Airlines, Inc. (America West), dba US Airways. America West has an operating permit with the Airport Commission of the City and County of San Francisco to use the landing facilities at the San Francisco International Airport (SFO) for its air transportation business.

Reporting Period: July 1, 2005, through June 30, 2006

Fees Paid: \$1,744,431

Results:

America West correctly paid its landing fees and correctly reported 4,244 revenue aircraft landings.

Respectfully submitted,

Noriaki Hirasuna
Director of Financial Audits

FINANCIAL AUDITS

INTRODUCTION

BACKGROUND

On May 1, 1990, America West Airlines, Inc. (America West) obtained an operating permit (permit) with the Airport Commission (commission) of the City and County of San Francisco to use the landing facilities at the San Francisco International Airport (SFO) for its air transportation business. This permit was effective until December 1, 2005, when America West and US Airways merged and obtained a new permit under the name America West Airlines, Inc. dba US Airways. Both permits require America West to submit to the Airport Department (Airport) a monthly report showing America West's actual revenue aircraft landings by type of aircraft and other landing data necessary to calculate the landing fees. Although operating under the same permit, America West and US Airways account for their landings separately.

The Airport charges America West a landing fee based on the maximum landing weight of its revenue aircraft landings at SFO. For every 1,000 pounds of aircraft landed, the commission sets a fee that it may change annually. During the review period, the fee was \$3.213 per 1,000 pounds of revenue aircraft landings.

SCOPE AND METHODOLOGY

The purpose of our review was to determine if America West complied with the reporting and payment provisions of its permits with the commission. Our review period was July 1, 2005, through June 30, 2006.

To conduct the review, we examined the applicable terms of the permits and the adequacy of America West's procedures for recording, summarizing, and reporting revenue aircraft landings. We tested on a sample basis whether America West accurately reported its revenue aircraft landings and the maximum landing weights of its aircraft landed at SFO. We also determined whether America West had any outstanding payments due to the Airport for the review period.



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RESULTS

AMERICA WEST CORRECTLY PAID LANDING FEES TO THE AIRPORT

From July 1, 2005, through June 30, 2006, America West Airlines, Inc., dba US Airways, correctly paid \$1,744,431 in landing fees to the Airport, and correctly reported 4,244 revenue aircraft landings.

We conducted this review according to generally accepted government auditing standards. We limited our review to those areas specified in the scope section of this report.

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Edwin De Jesus

cc: Mayor
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